

Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMEMBASSY MOSCOW
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COGARD
GOVGUAM
TREASURY

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E.O. 11652: N/A

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SUBJECT: JULY 15 EA PRESS SUMMARY

1. KOREA

SPOKESMAN SAID MONDAY WB AFFILIATE IFC WILL INVEST 19 MILLION DOLS HELP FINANCE ELECTROLYTIC ZINC REFINERY NEAR ONSAN. CONSISTS OF 13 MILLION DOL LOAN, 4 MILLION DOL EQUITY, 2 MILLION DOL CONTINGENCY COMMITMENT. KOREA ZINC CO WILL OPERATE (JOC, WASHINGTON).

2. PHILIPPINES

US PLEDGES WILL TIGHTEN SAFETY PROCEDURES, DROP NO MORE LIVE AMMO ON COASTAL PRACTICE BOMBING RANGE UNTIL DEATHS 4 FISHERMEN INVESTIGATED. US SOURCES BELIEVE MEN DIED WHILE TAMPERING WITH BOMB FOUND ON RANGE. USN SPOKESMAN UNCLASSIFIED

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DENIES PHIL NEWS SERVICE STORY THAT 2 MORE DIED JUNE 28 IN PRACTICE BOMBING, SINCE NO PLANES USING RANGE AT TIME (MATHEWS, WP).

3. SINGAPORE

CATHAY PAC AL, FLYING TIGER INAUGURATE ALL-CARGO SERVICE FROM US TO SINGAPORE (BARNETT, JOC).

4. MALAYSIA

GOM WARNS COMMUNISTS, SUBVERSIVE ELEMENTS INFILTRATE VILLAGES IN GUISE MDS, PROFS FROM SINGAPORE, INDONESIA. OFFICIAL SAYS COMMUNISTS RESORT TO VARIOUS WAYS ERODE PEOPLE'S FAITH IN GOVT (AFP, WP).

5. INDONESIA

QUAKE SHAKES BALI, KILLS 52 (WP). TREMORS FELT IN SURABAYA, E JAVA (AP, NYDN).

RUBBER EXPORTS EXPECTED DOUBLE TO 500 MILLION DOLS, COMPARED 1975. INCREASE MAINLY DUE IMPROVED OSEAS MARKET (REUTER, CSM).

6. AUSTRALIA

GOA DEPORTS MAN BELIEVED SENIOR OFFICER PLO. IMMIGRATION MINISTER DECLINES GIVE NAME (WP).

7. DIEGO GARCIA

O'LEARY (WSTAR 7/14) POINTS OUT BASE DEVELOPS NEW SIGNIFICANCE AS TENSION GROWS ON UGANDA-KENYA BORDER, HORN OF AFRICA. USN PATROL PLANES FROM DG SHOW UP IN KENYA.

8. PACIFIC ISLANDS

UN TRUSTEESHIP COUNCIL OVERRODE USSR OBJECTIONS, APPROVED US PLAN GRANT SELF-GOVT FOR MICRONESIA (CSM; AP, UNCLASSIFIED

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WSTAR 7/14).

9. NEW ZEALAND

NZ CONTINUES DRAW FIRE FROM AFRICAN NATIONS OVER RUGBY TEAM'S TOUR S AF. SACRAMENTO "BEE" REPORTS SUPREME COUNCIL FOR SPORTS IN AFRICA WILL URGE US BLACK ATHLETES BOYCOTT OLYMPIC GAMES UNLESS NZ BARRED (EVE GLOBE 7/14).

10. JAPAN

YEN CONTINUED RISE AGAINST DOL TOKYO FOREX MART WEDNESDAY. SOURCES SAID BANK OF JAPAN BOUGHT UP TO 200 MILLION DOLS

TO SUPPORT US CURRENCY. DOL CLOSED AT 13-MO LOW, 293.00
YEN (WSJ; REUTER, NYT).

JUSTICE DEPT SUIT CHARGES GOJ FUNNELED 6 MILLION DOLS TO
US-JAPAN TRADE COUNCIL SINCE FOUNDED 1957; COUNCIL, TWO
US-JAPAN TRADE COUNCIL SINCE FOUNDED 1957; COUNCIL, TWO
OFFICERS (HEMMINDINGER, TAYLOR) FAILED REPORT LOBBYING
ACTIVITIES AS REQUIRED BY LAW (AP, CHITRIB; UPI, NYT;
PULLEN, LAT 7/14).

EC OFFICIAL OLAV GUNDELACH ENDED THREE-DAYS OF MEETINGS
WITH GOJ MINISTERS WEDNESDAY. TOLD PRESS INFORMED
THEM EC-JAPAN TRADE IMBALANCE MAY REACH 4 BILLION DOLS
THIS YEAR; WARNED THIS UNACCEPTABLE; DEMANDED ELIMINATION
NTB'S WITHIN REASONABLE TIME OR FACE RETALIATION
(CULLISON, JOC).

CREDIT FIRM SAID BANKRUPTCIES HIT NEW HIGH AS 7,000
FIRMS WITH COMBINED DEBTS 3.2 BILLION DOLS FAILED FIRST
HALF (UPI, WP).

TAMAGAWA U (TOKYO) BOUGHT 80-ACRE RANCH ON VANCOUVER
ISLAND FOR "OFFSHORE CAMPUS." DEAN SAID PURPOSE PROMOTE
JAPAN/CANADA FRIENDSHIP, STUDY AGRICULTURE SECONDARY.
DEDICATION SCHEDULED SEPT 1 (SHAW, CSM).

TOYO KOGYO OFFERS 5-YR, 75,000 MILE WARRANTY ON ROTARY
ENGINES SOLD US, IN ATTEMPT PEP UP LAGGING SALES (WSJ).
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HOVERCRAFT CROSSING BEPPU BAY IN FOG AT 50 MPH COLLIDED
WITH GRAVEL BARGE WEDNESDAY, CAPSIZED. OFFICIALS SAID
ALL 25 PASSENGERS, 2 CREW RESCUED (AP, PHINQ, NYDN).

11. CHINA

US OLYMPIC CMTE CHRMN KRUMM SAYS US "SERIOUSLY CONSIDER-
ING WITHDRAWING FROM MONTREAL OLYMPIC GAMES" OVER TAI-
WAN DISPUTE, INDICATED OTHER COUNTRIES WOULD FOLLOW SUIT
(MIFFLIN, NYDN; PRENTISS, REUTER MONTREAL). AP REPORTS
EXCLUSIVE INTERVIEW WITH KRUMM, SAYS PULLOUT MOVE WAS
DESCRIBED AS POSSIBILITY, BUT NOT STRONG PROBABILITY
(CHITRIB; FACHET, WP). NYT'S CADY STATES TAIWAN'S NEW
STRATEGY CENTERED ON FACT 5 TAIWANESE ATHLETES ALREADY
IN MONTREAL, ACCREDITED COMPETE; ROC INSISTING THEY TAKE
PART IN OPENING CEREMONIES UNDER NATL BANNER. PROPOSAL
WILL BE OFFICIALLY PRESENTED TO OTTAWA/IOC EARLY 7/16.
WH ACKNOWLEDGED FORD CONFERRED WITH HAK ON ISSUE, PRES
NOW "WEIGHING WHAT RESPONSE TO MAKE," ALTHOUGH PRES HAS
NO DIRECT CONTROL OVER US TEAM (DOBBIN, SUN).

REUTER'S McDERMOTT REPORTS TRUDEAU'S STATEMENT THAT TAI-

WAN ATHLETES WOULD BE WELCOME IF THEY DID NOT "MASQUERADE AS A TEAM FROM CHINA BECAUSE EVERYONE KNOWS IT IS NOT." ROC OLYMPIC DELEGATION SECRETARY YUEN TERMS AF-FAIR "WELL-PLANNED TRAP" (AP, SUN).

PRAVDA EXPRESSED APPROVAL WITH CANADA'S STAND, CRITICIZED "CERTAIN LEADERS OF THE IOC" FOR OBJECTING TO DECISION (SHIPLER, NYT). PRC ACCUSED SOVIETS OF SUPPORTING TAIWAN'S BID, CLAIMING MOSCOW/TAIPEI HAD WORKED "IN COLLUSION," HAD "ANTAGONIZED" CHINESE PEOPLE (REUTER, HONG KONG).

HIRSHEY/MIFFLIN (NYDN) NOTE TAIWAN TEAM'S LUGGAGE STILL UNDER LOCK AND KEY IN MONTREAL'S AIRPORT, WHILE TEAM ITSELF STILL IN BOSTON; EQUESTRIAN TEAM'S HORSE ALSO ABANDONED IN MONTREAL, BEING CARED FOR BY BOLIVIANS.

PRC VICE-PREMIER SUN CHIEN FORMALLY HANDED OVER 1,100 MILE, 250 MIL DOL TANZANIA-ZAMBIA RAILROAD TO THE 2 AF-UNCLASSIFIED

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RICAN COUNTRIES, CALLING IT "STEEL TIE OF FRIENDSHIP" BINDING THE 3 NATIONS' PEOPLES TOGETHER. ZAIRE'S MO-BUTU, BOTSWANA'S KHAMA ALSO ATTENDED CEREMONY (BRIDGLAND, REUTER ZAMBIA, IN WP, CHITRIB, NYT).

MUNRO (NYT, WP), IN PEKING, TALKS WITH EX-GI VENERIS, WHO PLANS VISIT US 5-AND-ONE-HALF MONTHS. VENERIS SAYS LOVES MAO, HAPPY AS ORDINARY WORKER IN CHINESE FACTORY. NOW MARRIED, HAS 6 CHILDREN; ALL LIVE TOGETHER IN 4 RMS. CHINESE RED CROSS PAYING RETURN AIR FARE, COST HAVING 2 WESTERN-STYLE SUITS MADE. VENERIS HOPES THERE WON'T BE TOO MANY REPORTERS ASKING QUESTIONS WHEN HE RETURNS IN WK OR SO; SAYS DOESN'T KNOW MUCH ABOUT CHINA.

PRC/SEYCHELLES ISLANDS ESTABLISHED DIP RELS AT AMB LEVEL (WP).

PI TING-CHUN, CMDR COMMUNIST FORCES STATIONED OPPOSITE TAIWAN DIED ON DUTY; NO PRC MILITARY/CIVILIAN LEADERS ATTENDED FUNERAL CEREMONY (WP).

MIT ANNOUNCES CANCELLATION CONTROVERSIAL PROGRAM THAT TRAINED TAIWANESE ENGINEERS BUILD SOPHISTICATED INTER-TIAL NAVIGATION SYSTEMS. PROGRAM DIRECTOR JONES SAID TRAINING ENDED AFTER DOS WARNED IT "WOULD NOT BE IN FURTHERANCE" OF US FOPOL/NATL SECURITY OBJECTIVES (GLOBE).

LARKIN (GLOBE) SAYS HOTTEST-SELLING SOUVENIRS IN MONTREAL ARE RED NYLON PARKAS BEARING TAG "MADE IN TAIWAN".
COMMNT AND ANALYSIS
12. INDOCHINA

ISAACS (SUN) NOTES VN'S POLICY OF INTENSIFIED ECON DEVELOPMENT AT HOME, "SMILING DIPLOMACY" ABROAD. BELIEVES PRIORITY GIVEN ECON MODERNIZATION MAY REASSURE NEIGHBORS WHO WORRY ABOUT POSSIBLE VIET EXPANSIONISM

IN SEA. QUOTES LE DUAN THAT VN WILL CARRY OUT "TRIPLE REVOLUTION" IN PRODUCTION RELS, SCIENCE/TECHNICAL, IDEOLOGICAL/CULTURAL, WITH SECOND AS KEYSTONE. OPINES PLACING SCIENCE/TECHNOLOGY BEFORE IDEOLOGY INDICATES VN UNCLASSIFIED

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WILL BE LESS DOCTRINAIRE THAN PRC. REVIEWS PLANS DESCRIBED BY DUAN TO NATL ASSY. NOTES INDICATION HANOI WILL CONTINUE SEEK AVOID SUBSERVIENCE TO EITHER PRC, USSR WHILE ACCEPTING AID FROM BOTH. MENTIONS PHAM HIEN TRIP. POINTS OUT VN LEADERSHIP INTACT OVER 30 YRS EXCEPT FOR HO'S DEATH, UNSPLINTERED BY FACTIONALISM, PURGES THAT HAVE AFFECTED VIRTUALLY EVERY OTHER COMMUNIST REGIME IN WORLD. SAYS PRG LEADERS GIVEN SHORT SHRIFT IN MAKEUP NEW GOVT, REMAINING SUBORDINATE TO HANOI MEN WHO NOW FREELY ACKNOWLEDGE HAVING ORGANIZED, COMMANDED SOUTHERN WAR. LISTS VN'S ASSETS; CONCLUDES WAR RECORD LENDS AUTHORITY TO LEADERSHIP'S PROMISES RAPID ADVANCE.

13. JAPAN

WP NOTES WASHINGTONIANS KNOW JAPAN PRESENTED CHERRY TREES AT TIDAL BASIN, REMINDS THEM JAPAN HAS PRESENTED ANOTHER "REMARKABLE LIVING GIFT," NOW ON VIEW IN PEACEFUL SETTING AT NATL ARBORETUM. UNLIKE CHERRY TREES WHICH ALWAYS SEEM PEAK JUST BEFORE FESTIVAL, PRICELESS BICENTENNIAL GIFT OF 53 BONSAI WILL BE SPECTACULAR VIEW ALL YEAR ROUND.

CSM'S LACHICA, IN TOKYO, DISCUSSES ISSUES IN US-JAPAN CIVAIR TALKS THIS FALL. INCLUDE JAPANESE CLAIM OF INEQUALITIES IN NUMBER POINTS SERVED IN US, BEYOND RIGHTS, CAPACITIES. RECALLS US ASSENTED REVIEW AGREEMENT 5 YEARS AFTER REVERSION, IN RETURN CONTINUED JAPAN-OKINAWA CABOTAGE RIGHTS SAME PERIOD. OBSERVES PRESSURES BUILDING FOR REFORM WORLD AIR ROUTE MAP, SUGGESTS US MAY HAVE "TO GIVE A LITTLE" FOR SAKE INTL HARMONY.

NYT SPECIAL (TOKYO) REVIEWS FIRST OVERSEAS EXHIBIT BY WHITNEY MUSEUM OF AMERICAN ART, COSPONSORED BY SEIBU DEPT STORE, ASAHI. DETECTS SIGNS JAPANESE PERHAPS NOT QUITE READY FULLY APPRECIATE MODERN AMERICAN ART. EXHIBIT "THREE DECADES OF AMERICAN ART" INCLUDES WORKS BY POLLOCK, GORKY, DE KOONING, WARHOL.

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UPI (TOKYO) CITES TOKYO PRESS SPECULATION THURSDAY THAT UNIDENTIFIED "POWERFUL CONSERVATIVE POLITICIAN" MAY BECOME FIRST DIET MEMBER ARRESTED IN 12 MILLION DOL LOCKHEED PAYOFF SCANDAL. SAY HE WILL BE DETAINED ON SUSPICION RECEIVED 100 MILLION YEN TO PROMOTE TRISTAR SALES TO ANA.

14. SINGAPORE

WP'S SIMONS CONTRASTS SINGAPORE WITH POVERTY, CRIME, COMMUNAL TENSIONS, PROBLEMS SEA CAPITALS. ATTRIBUTES CLEANLINESS, ORDER, PROSPERITY TO LEE KUAN YEW'S LEADERSHIP. CALLS SINGAPORE "UNQUESTIONED SUCCESS STORY" OF SEA, BUT ADDS LEE HAS EXACTED STIFF PRICE FROM PEOPLE BY IMPOSING 1-PARTY RULE, DEPRIVING OF DEMOCRATIC GOVT, JAILING POL OPPONENTS WITHOUT TRIAL, EMASCULATING PRESS, CRUSHING PUBLIC DISSENT. SAYS WHATEVER RESENTMENT THERE IS REMAINS WELL-HIDDEN, EVEN AMONG THOSE WESTERNERS WITH DISTASTE FOR LEE'S METHODS. MENTIONS ISSUE OF POL DETAINES IS SENSITIVE; BELIEVES ABOUT 50 ALLEGED COMMUNISTS, 700 ALLEGED MEMBERS SECRET SOCIETIES HELD WITHOUT TRIAL.

15. NEW ZEALAND

POWER (GLOBE) OPINES NO ONE EXPECTS US PULLOUT FROM OLYMPICS OVER TAIWAN, UNLESS NZ ALSO SACRIFICED. SAYS NIGERIA KEEPS AFRICAN POWER PLAY ON NZ SIMMERING QUIETLY, WAITING FOR RIGHT MOMENT. STATES TANZANIA'S THREATENED PULLOUT WAS TRIAL BALLOON. THINKS WHEN NZ ISSUE Erupts FULLY, WILL MAKE TAIWAN QUESTION LOOK TRIVIAL. POINTS OUT NZ HAS BROKEN NO IOC RULES AND CANADA HAS NO BEEF WITH THEM; NZ ATHLETES MYSTIFIED WHY AFRICANS SINGLE THEM OUT AS VILLAINS. CALLS TAIWAN QUESTION "MUDDY," BUT SINCE 42 COUNTRIES BESIDES NZ HAD SPORTING CONTRACTS WITH S AF BETWEEN JAN-MARCH THIS YR, IF IOC SACRIFICES NZ ALONE TO KEEP PEACE, OLYMPIC IDEA WILL BE EXPOSED AS HOLLOW SHAM AND GAMES WILL BE DESTROYED AS WERE IN ANCIENT GREECE -- BY POLITICAL MEDDLING.

16. CHINA

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AP CONDUCTS "MAN-IN-STREET" SURVEY IN MONTREAL, FINDS BY 10-1 MARGIN CANADIANS THERE BELIEVE GOVT HAD NO RIGHT BAR TAIWAN FROM OLYMPICS. OTHER OLYMPIC COMMENT: PHINQ CALLS IOC DECISION "CRAVEN SURRENDER," SAYS US, OTHER TEAMS SHOULD PROTEST BY INSISTING COMPETE UNDER

OLYMPIC BANNER, WITH OLYMPIC ANTHEM; SUN STATES PRC MAY BE HEARTENED TODAY, BUT PRECEDENT WILL SUPPLY MOSCOW WITH "IMMEASURABLE POWER FOR MISCHIEF IN 1980." BELIEVES US SHOULD RESIST "CANADA'S BULLYING" BY WITHDRAWING "FROM GAMES THAT NO LONGER DEFEND THEIR OWN STANDARDS." SF CHRON SAYS IOC MUST NOT DROP "BATON CALLED PRINCIPLE" AND ALLOW CANADA "WALK OFF WITH A TARNISHED GOLD." GLOBE'S POWERS SEES 4 ALTERNATIVES OF SETTLING TAIWAN ISSUE: TAIWAN WILL ACCEPT IOC-PROPOSED COMPROMISE AND MARCH UNDER OLYMPIC BANNER; IOC WILL BE FORCED BAR ROC FROM GAMES; 2 TAIWANESE YACHTSMEN WILL MARCH UNDER ROC FLAG IN SEPARATE ONTARIO CEREMONIES; OR US WILL PULLOUT--MOVE WHICH WOULD SURELY END GAMES. KISSINGER

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